

EXHIBIT 4

Harry Fisher

From: David Aksim
Sent: Tuesday, January 23, 2001 1:46 PM
To: Harry Fisher
Subject: FW: Description of the Forbearance Process

-----Original Message-----

From: Celine Mentzer
Sent: Tuesday, January 23, 2001 1:43 PM
To: David Aksim; Eric Lacter
Cc: Celine Mentzer
Subject: Description of the Forbearance Process

Hello,

Below is my understanding of what we discussed. Please review and let me know A.S.A.P. if I need to make any corrections.

Thanks.

Celine

Description of the Current Forbearance Process

The forbearance process is the process that determines how much money Student Finance Corporation will pay on loans on the behalf of students.

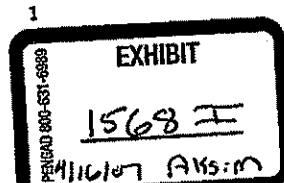
Currently, there are 7 portfolios involved in the Forbearance process. The business requirement is that less than 6% of the total principal amount in each portfolio can go to Claims. The forbearance process prevents that total from exceeding 6%.

Forbearance means that Student Finance Corporation makes a payment on behalf of the student to prevent that student's loan from going to claims.

A student's regular payment is comprised of interest plus principal. A student pays this every month. When student does not pay or makes a partial payment, an amount goes into a delinquency cycle.

There are three delinquency cycles before a student's loan goes to claims: Cycle 1, Cycle 2, and Cycle 3. (The amount in each cycle is comprised of principal plus interest.) The total amount in all three of these cycles for each portfolio must be less than 6% of the total principal balance owed. Cycle 3 is the last cycle before a loan goes to Claims (i.e., Insurance).

A loan goes to Claims if there is more than a certain amount of money left in Cycle 3 at the end of the month. For GT96 loans, this amount is \$3.00. For all other banks, it is



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\$5.00.

Note: Cycle 3 is also referred to as the To Be Insurance amount.

In addition to the 6% requirement, both PNC and GT96 also have a threshold that only 7.5% of the total principal owed can be in Cycle 2.

Forbearance payments are applied to each loan in a specific order. For all portfolios, except GT96, payments are applied in the following order:

- Cycle 3 interest
- Cycle 3 principal
- Cycle 2 interest
- Cycle 2 principal
- Cycle 1 interest
- Cycle 1 principal
- Current interest
- Current principal

The order for payments for GT96 is different than the other Portfolios. GT96 pays off Cycle 1 Interest before paying Cycle 2 interest. For GT96, payments are applied in the following order:

- Cycle 3 interest
- Cycle 3 principal
- Cycle 2 interest
- Cycle 1 interest
- Cycle 2 principal
- Cycle 1 principal
- Current interest
- Current principal